MEMORANDUM OF UNDERSTANDING

BETWEEN

HINDUSTAN COPPER LIMITED

AND

MINISTRY OF MINES

FOR

2016 - 2017

FORM – I (Applicable for ALL CPSEs except CPSEs under Closure/under construction)

Part – A

Sl. No.	Evaluation Criteria	Unit	Wt	MOU TARGETS				
				Excellent	Very Good	Good	Fair	Poor
(i) Capacity Utilisation:								
	Production of Copper Wire Rod	MT	10	32000	30000	29000	28000	27000
(ii) A Efficiency Parameters (Physical Operations):								
	a) Reduction in Water consumption per ton of milling at KCC Concentrator plant – Khetri over previous year	%	5	10	9	8	7	6
	b) Reduction in Power consumption at ICC Refinery-Ghatsila over previous year	%	5	2.00	1.10	0.80	0.60	0.20
(iii) B. Technology up-gradation								
	Commissioning of Nickel plant for recovery of Nickel from spent electrolyte of copper	Date	5	31.07.16	16.08.16	22.08.16	25.08.16	31.08.16

FORM – I (Applicable for ALL CPSEs except CPSEs under Closure/under construction)

Part – A

Sl. No.	Evaluation Criteria	Unit	Wt	MOU TARGETS				
				Excellent	Very Good	Good	Fair	Poor
(iii)	**Leveraging Net Worth: (CAPEX)**							
	CAPEX	Rs. Cr.	15	400	380	360	340	320
	Details of the projects/expenditure head is given at Annexure -A							
(iv)	**Monitoring Parameter:**							
	Percentage of value of CAPEX contracts/projects running/completed during the year without time/cost overrun to total value of CAPEX contracts running/completed during the year.	%	5	100	95	90	85	80
	Details of the projects to be monitored are given at Annexure -B							
(v)	**Turnover for operations:**							
	Revenue from operations (Net of excise duty)	Rs. Cr.	10	1365	1305	1245	1185	1125
(vi)	**Operating Profit/Surplus:**							
	Profit before Tax (excluding other incomes, Extraordinary & Exceptional items) as percentage of revenue from operations (net of excise duty)	%	10	5.00	4.50	4.25	4.00	3.75
(vii)	**Early signs of weakness:**							
	Reduction in Claims against the Company not acknowledge as debt, over the previous year (overall)	Rs. Cr.	5	50	45	40	35	30

FORM – I (Applicable for ALL CPSEs except CPSEs under Closure/under construction)

Part – A

Sl. No.	Evaluation Criteria	Unit	Wt	MOU TARGETS				
				Excellent	Very Good	Good	Fair	Poor
(viii)	A. Marketing Efficiency Parameter:							
	Number of days of Inventory of finished goods and work-in-progress to sale of products	No. of days	5	120	125	130	135	140
(viii)	B. Marketing Efficiency Ratios:							
	Trade Receivables as percentage of Revenue from Operations (Gross)	%	5	5.50	5.75	6.00	6.25	6.50
(ix)	Return on Investment:							
	i. Dividend/PAT	%	5	30	29	28	27	26
	ii. PAT/Net worth	%	10	6.35	5.85	5.35	4.85	4.35
	iii. Dividend/Net worth	%	5	1.91	1.70	1.50	1.31	1.13

a) It was decided that where achievement is not verifiable from annual report of the CPSE, the same would be accepted on the basis of certification by way of resolution from Board of Directors.

b) It was agreed that the targets finalized by the IMC are based on provisional submitted by the company for FY 2015-16. In case of better performance of the CPSE during the year 2015-16 as compared to provisional given to the IMC, the difference shall be added to the targets of 2016-17.

c) It was agreed that the targets decided in MoU are unconditional and no offset will be allowed except as mentioned in point no. 6(v) of IMC minutes. Further evaluation would be subject to compliance of additional eligibility criteria as contained in Para 14.2 and 14.3 of MoU guidelines 2016-17.

(K.D. Diwan)
Chairman-cum-Managing Director
Hindustan Copper Limited

(Balvinder Kumar)
Secretary
Ministry of Mines

FORM - I (Applicable for ALL CPSEs except CPSEs under Closure/Under Construction)

PART – B

TREND ANALYSIS

SL. No.	Evaluation Criteria	Unit	Financial Year					
			2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 Projected
i	Capacity utilization							
	Production of Copper Wire Rod	MT	26310	20368	22976	19576	26062	30000
ii	Efficiency parameters (Physical operations)							
a.	water consumption per ton of milling at KCC Concentrator plant-Khetri	Cu.m/ MT	2.30	2.27	2.30	2.29	2.30	2.093
b.	Power consumption at ICC Refinery – Ghatsila	Kwh/ MT	297	296	300	298	296	293
iii	CAPEX	Rs. Crore	155.74	260.28	310.28	399.03	398.56	380.00
iv	Paid-UP Share Capital	Rs. cr	462.61	462.61	462.61	462.61	462.61	462.61
v	Accumulated Reserves	Rs. cr	1032.84	1222.69	1410.34	1437.33	1482.81	1520.39
vi	Net worth	Rs. cr	707.24	902.47	1035.29	925.48	876.22	908.98
vii	Borrowings (shown in non-current Liability)	Rs. Crore	0.00	0.00	0.00	0.00	207.15	307.15
viii	Borrowings/Net Worth	%	0.00	0.00	0.00	0.00	23.64	33.79
ix	Percentages of value of CAPEX contracts/projects running/completed during the year without time/cost overrun to total value of CAPEX contracts running/completed during the year	%	NA	NA	NA	NA	NA	95.00
x	Revenue from operations (Gross)	Rs. crore	1641.44	1476.64	1625.05	1138.20	1074.23	1458.05
xi	Revenue from operations (Net of excise duty)	Rs. crore	1494.87	1326.36	1491.27	1017.38	971.11	1305.00

FORM - I (Applicable for ALL CPSEs except CPSEs under Closure/Under Construction)

PART – B

TREND ANALYSIS

SL.No.	Evaluation Criteria	Unit	Financial Year					
			2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 Projected
xii	Profit before Tax	Rs. crore	472.95	403.61	430.65	80.45	45.38	68.69
xiii	Other Income - Interest - Dividend - Others - Total	Rs. crore	 38.87 5.40 40.65 84.92	 55.06 8.47 186.17 249.70	 49.19 3.27 42.58 95.04	 45.42 3.76 17.72 66.90	 27.02 3.17 18.58 48.77	 3.00 2.50 4.51 10.01
xiv	Extraordinary items	Rs. crore	0.00	0.00	0.00	0.00	0.00	0.00
xv	Exceptional items	Rs cr.	0.00	0.00	0.00	0.00	0.00	0.00
xvi	Profit before Tax (excluding other incomes, Extraordinary & Exceptional items)	Rs. crore	388.03	153.91	335.61	13.55	(3.39)	58.68
xvii	Profit After Tax	Rs. crore	323.47	355.64	286.42	67.60	43.56	53.17
xviii	Revenue from Operations (Net)/Total Expenses (excluding extra ordinary/exceptional items, if shown separately and Tax (Income tax) Expanses.	%	137.82	108.97	124.15	99.92	91.47	99.65
xix	Closing inventory of finished goods	Rs. Cr.	23.07	10.88	8.77	12.85	16.51	79.81
xx	Closing Inventory of work in progress	Rs. Cr.	237.43	299.94	347.35	357.65	441.20	363.20
xxi	Sale of products (net of Excise duty)	Rs. Cr.	1491.61	1324.99	1482.12	1006.67	965.83	1295.00

FORM - I (Applicable for ALL CPSEs except CPSEs under Closure/Under Construction)

PART – B

TREND ANALYSIS

SL.No.	Evaluation Criteria	Unit	Financial Year					
			2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 Projected
xxii	No. of days of Inventory of finished goods and work-in-progress to Sale of products (wherever applicable)	No. of days	64	86	88	134	173	125
xxiii	Trade receivables of over 6 months	Rs. crore	3.57	3.67	4.25	5.22	5.50	6.00
xxiv	Trade Receivables (Total)	Rs. crore	121.74	184.51	198.83	85.22	57.33	83.84
xxv	Trade receivables as percentage of Revenue from operations (Gross)	%	7.42	12.50	12.24	7.49	5.34	5.75
xxvi	Cash and Bank balances	Rs. crore	449.20	438.45	495.67	251.77	240.31	109.25
xxvii	PAT/Net worth	%	45.74	39.41	27.67	7.30	4.97	5.85
xxviii	Dividend/PAT	%	29.00	26.00	32.00	21.00	0.00	29.00
xxix	Dividend/Net worth	%	13.08	10.25	8.94	1.50	0.00	1.70
xxx	Claims against the Company not acknowledged as debt	Rs Crore						
	By Central Government depts.		34.57	50.70	73.13	96.65	55.46	30.46
	By State Government depts.		172.70	155.98	368.92	364.14	292.29	267.29
	By CPSEs		Nil	Nil	Nil	Nil	Nil	Nil
	By Others		28.46	66.70	69.01	71.12	87.52	87.52
xxxii	Resources Raised		Nil	Nil	Nil	Nil	Nil	Nil
xxxiii	Surplus redeployed		Nil	Nil	Nil	Nil	Nil	Nil
xxxiv	Major Expanses							
	Cost of materials consumed	Rs.cr.	71.54	55.22	66.83	30.64	45.42	74.80
	Employees befit expanses	Rs.cr.	339.50	355.26	361.99	329.63	319.40	341.70
	Depreciation & Amortisation expanses	Rs.cr.	144.06	150.98	174.14	112.85	120.33	141.02
	General administration and other expanses	Rs.cr	511.11	640.99	593.45	534.66	558.75	710.79

Profit & Loss Statement

(Rs in crore)

S No	Particulars	Unit	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
			Actual	Actual	Actual	Actual	Actual	MOU V GOOD
1	Total Income	-						
1.1	Gross Sales of Products	Rs Cr	1638.18	1475.27	1615.90	1127.49	1068.95	1448.05
1.2	Less: Excise Duties	Rs Cr	146.57	150.28	133.78	120.82	103.12	153.05
1.3	Less: Discount	Rs Cr	7.32	3.22	2.39	1.84	2.35	5.61
1.4	Net Sales of Products/Operating income	Rs Cr	1484.29	1321.77	1479.73	1004.83	963.48	1289.39
1.5	Sale of Services	Rs Cr	0.50	0.07	3.47	1.27	2.31	0.00
1.6	Other Operating Revenues	Rs Cr	2.76	1.30	5.68	9.44	2.97	10.00
1.7	Revenue from Operations	Rs Cr	1487.55	1323.14	1488.88	1015.54	968.76	1299.39
1.8	Accretion/Depletion to finished stocks to work in-progress	Rs Cr	(22.15)	44.72	45.48	14.37	87.21	63.30
1.9	Other Income	Rs Cr	84.92	249.70	95.04	66.90	48.77	10.01
	Total	Rs Cr	1550.32	1617.56	1629.40	1096.81	1104.74	1372.70
2	Total Expenditure	-						
2.1	Raw Material	Rs Cr	71.54	55.22	66.83	30.64	45.42	74.80
2.2	Manufacturing/Direct/Operational Expenses	Rs Cr	289.58	334.35	374.98	276.97	301.79	350.26
2.3	Power,Fuel,Water etc.	Rs Cr	159.53	251.14	190.15	176.10	169.72	194.75
2.4	Salaries & Wages	Rs Cr	339.50	355.26	361.99	329.63	319.40	341.70
2.5	Other Expenses	Rs Cr	188.29	188.88	187.13	174.71	201.57	283.93
	Total	Rs Cr	1048.44	1184.85	1181.08	988.05	1037.90	1245.44
3	Gross Margin	Rs Cr	501.88	432.71	448.32	108.76	66.84	127.26
3.1	Provisions & Write Offs	Rs Cr	10.66	7.85	7.38	6.55	6.19	18.70
3.2	Depreciation	Rs Cr	17.77	17.60	15.33	19.73	16.00	22.87
3.3	Gross Profit/(Loss)(Operating Income)/PBIT	Rs Cr	473.45	407.26	425.61	82.48	44.65	85.69
4	Profit/Loss on Sale of Assets	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00
4	Prior Period Adjustments	Rs Cr	(0.03)	(0.63)	(7.36)	1.35	(2.17)	0.00
5	Extra-ordinary Items(Net)	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00
	Exceptional Items	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00
6	Finance Cost	Rs Cr	0.53	4.28	2.32	0.68	1.44	17.00
7	Provisions for tax (including deferred & FBT)	Rs Cr	149.48	47.97	144.23	12.85	1.82	15.52
8	Profit /(Loss) After TAX(PAT)	Rs Cr	323.47	355.64	286.42	67.60	43.56	53.17
9	Dividend Paid	Rs Cr	92.52	92.52	92.52	13.88	0.00	15.42
9(a)	Transfer to General Reserve	Rs Cr	24.26	26.67	21.75	0.00	0.00	0.00
10	Tax on Dividend	Rs Cr	15.01	15.73	15.73	2.83	0.00	3.14
11	Retained Profit	Rs Cr	191.68	220.72	156.42	50.89	43.56	34.61
13	No. of Employees	No	4810	4498	4112	3676	3252	3000
	Working Notes	-						
	Manufacturing/Direct/Operational Expenses							
	Stores & Spares	Rs Cr	84.10	106.28	103.19	96.68	111.49	122.65
	Repairs & Maintenance	Rs Cr	18.53	27.46	45.95	33.84	26.08	47.38
	Royalty & Cess	Rs Cr	60.66	67.23	67.03	53.33	59.89	62.07
	Amortisation	Rs Cr	126.29	133.38	158.81	93.12	104.33	118.15
	Total	Rs Cr	289.58	334.35	374.98	276.97	301.79	350.26
	Other Expenses							
	Transportation	Rs Cr	22.10	29.92	47.09	36.35	34.80	34.58
	Tolling charges	Rs Cr	58.39	42.96	47.13	43.73	63.73	132.13
	Contractual Job for Process	Rs Cr	54.07	52.38	34.21	44.57	51.59	78.00
	Others	Rs Cr	53.73	63.62	58.70	50.06	51.45	39.23
	Total	Rs Cr	188.29	188.88	187.13	174.71	201.57	283.93

Rs. in crore

Balance Sheet Data (as on 31st March)

S No	Particulars	Unit	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 MOU V GOOD
1	**Sources of Fund**	-						
1.1	**Shareholders Fund(a+b+c)**	Rs Cr	**1495.45**	**1685.30**	**1872.95**	**1899.94**	**1945.42**	**1983.00**
	a. Paid-up Capital	Rs Cr	462.61	462.61	462.61	462.61	462.61	462.61
	b. Share Money Awaiting Allotment	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00
	c. Reserves & Surplus	**Rs Cr**	**1032.84**	**1222.69**	**1410.34**	**1437.33**	**1482.81**	**1520.39**
	i) Profit & Loss Account (CR)	Rs Cr	682.11	902.84	1059.26	1092.35	1135.91	1170.52
	ii) General Reserve	Rs Cr	41.16	67.83	89.59	89.59	89.59	89.59
	iii) Other Statutory Reserves/General Reserves	Rs Cr	211.76	211.75	217.81	216.98	225.28	225.28
1.2	Long-Term Borrowings	Rs Cr	0.00	0.00	0.00	0.00	207.15	307.15
1.2(a)	Long-Term Liabilities & Provisions	Rs Cr	84.79	75.23	56.06	99.64	111.65	116.65
1.3	Deferred Tax Liability	Rs Cr	97.81	40.27	43.68	38.41	32.03	35.00
1.4	Total	**Rs Cr**	**1580.24**	**1760.53**	**1929.01**	**1999.58**	**2264.22**	**2406.80**
2	**Application of Funds**	-						
2.1	Gross Block	Rs Cr	788.14	807.54	835.06	865.97	886.67	924.67
2.2	Less: Depreciation	Rs Cr	578.97	601.21	623.27	663.96	686.70	709.57
2.3	**Net Block**	**Rs Cr**	**209.17**	**206.33**	**211.79**	**202.01**	**199.97**	**215.10**
2.4	Discarded Fixed Assets Net of Provision	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00
2.5	Capital Work In Progress	Rs Cr	1.00	56.32	114.54	132.26	405.70	647.70
2.6	Deferred Revenue Expenditure	Rs Cr	478.64	530.81	576.17	719.07	811.89	813.74
2.7	Non-Current Investments	Rs Cr	56.50	2.00	11.00	0.00	0.00	0.00
2.8	Deferred Tax Assets	Rs Cr	103.63	77.82	81.58	95.09	108.54	113.00
2.9	Long Term Loans & Advances	Rs Cr	45.44	57.26	57.53	58.89	59.10	59.10
2.10	Current Assets(a)	Rs Cr	1051.64	1190.81	1228.73	1037.31	990.28	837.22
2.11	Current Liabilities(d)	Rs Cr	365.78	360.82	352.33	245.05	311.26	279.07
2.12	**Net Current Assets(e)=(a-d)**	**Rs Cr**	685.86	**829.99**	**876.40**	**792.26**	**679.02**	**558.15**
2.13	Profit & Loss Account (DR)	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00
2.14	**Total(2.3 to 2.9, 2.12 to 2.13)**	**Rs Cr**	**1580.24**	**1760.53**	**1929.01**	**1999.58**	**2264.22**	**2406.80**
	Working Notes :-							
	Current Assets	-						
	Current Investments	Rs Cr	92.13	86.58	18.40	71.08	75.81	65.00
	Inventories	Rs Cr	320.64	378.28	422.39	442.45	517.23	479.53
	Trade Receivables	Rs Cr	121.74	184.51	198.83	85.22	57.33	83.84
	Cash & Cash Equivalents	Rs Cr	449.20	438.45	495.67	251.77	240.31	109.25
	Short Term Loans and Advances(b)	Rs Cr	40.96	60.57	63.84	154.65	59.28	59.28
	Other Current Assets	Rs Cr	26.97	42.42	29.60	32.14	40.32	40.32
	Total	**Rs Cr**	**1051.64**	**1190.81**	**1228.73**	**1037.31**	**990.28**	**837.22**
	Current Liabilities							
	Trade Payables & Other Liabilities	Rs Cr	172.55	209.97	182.33	223.52	304.45	235.00
	Short Term Provisions	Rs Cr	193.23	150.85	170.00	21.53	6.81	44.07
	Total	**Rs Cr**	**365.78**	**360.82**	**352.33**	**245.05**	**311.26**	**279.07**
	Breakup of Inventory							
	Raw Materials	Rs Cr	0.01	0.00	0.00	0.16	0.20	0.20
	Work In Progress	Rs Cr	237.43	299.94	347.35	357.65	441.20	363.20
	Finished Goods	Rs Cr	23.07	10.88	8.77	12.85	16.51	79.81
	Stores & Spares	Rs Cr	60.13	67.46	66.26	71.79	59.32	36.32
	Total	**Rs Cr**	**320.64**	**378.28**	**422.38**	**442.45**	**517.23**	**479.53**

Annexure -A

(Rs. Crore)

Sl.No.	Project/Expenditure Head	Amount
1	Mine Expansion	232.00
2	Mine Development	120.00
3	Replacement & Renewal	38.00
4	Greenfield Exploration	10.00
	Total	400.00

Annexure B

(Rs. Crore)

Sl. No	Name of Project	Total approved plan outlay	Scheduled date of completion	Major Milestone during the year	Date of completion of Major Milestone	Amount to be spent during the year
1	Malanjkhand underground mine, Malanjkhand	1856.00	March,2020	-Submission of design of shafts -Start sinking of production and service shaft Sinking of ventilation shafts -Decline development 300 meter	31.03.2017	100.00
2	Gujarat Copper Project, Bharuch	290.00	March'2017	-Complete refurbishment of anode furnace & refinery plant -Commence refurbishment of Kaldo furnace	31.03.2017	40.00
3	Mine Development at Malanjkhand open pit mine	360.00	March'2019	Excavation of 38 lakh cu.m	31.03.2017	150.00
4	Renewal & Replacement of existing equipment	Ongoing activity every year		-Undertake steam driven prime movers at Ghatsila plant -Development of underground crusher at Kolihan Mine	31.03.2017	38.00
5	Installation of roof top 35KW Solar Power system	6.00	March,2017	Installation at Malanjkhand Mine	28.02.2017	1.00
	Total					329.00

हिन्दुस्तान कॉपर लिमिटेड
HINDUSTAN COPPER LIMITED
CIN No.: L27201WB1967GOI028825
भारत सरकार का उपक्रम
A GOVT. OF INDIA ENTERPRISE

पंजीकृत एवं प्रधान कार्यालय
Registered & Head Office
ताम्र भवन TAMRA BHAVAN
1, आशुतोष चौधरी एवेन्यु,
1, ASHUTOSH CHOWDHURY AVENUE,
पो०बॉ०सं० P.B. No. 10224
कोलकाता KOLKATA - 700 019

Self-declaration/ certification by CPSE

It is hereby certified that the targets/ actual achievements in respect of MoU parameters have been worked out as per MoU Guidelines by adopting the norms and definitions laid down in MoU Guidelines for the year 2016-17. In case, any deviation is found at any point of time, DPE is free to evaluate the performance as per MoU Guidelines. CPSE has no right of claim in this regard.

(Chairman-cum-Managing Director /CEO)

दूरभाष Tel: 2283-2226 (Hunting), फैक्स Fax: (033) 2283-2478/2640
तार Cable: हिन्दताम HINDCOPPER, ई-मेल E-mail: hcl_ho@hindustancopper.com, वेब Web: www.hindustancopper.com